AM: Can I ask first of all what the Labour position is on a customs union?
KS: Well, we’ve long championed being in a customs union with the EU and the benefits of that. Obviously it’s the only way realistically to get tariff-free access. It’s really important for our manufacturing base, and nobody can answer the question how you keep your commitment to no hard border in Northern Ireland without a customs union. Until now, we said –
AM: During a transition phase.
KS: Yes. I mean, in the general election we consistently said the benefits of a customs union must be retained. Then over the summer, as you know, I laid out the position for the transitional arrangements, that we’d be in a customs union, and said then that it ought to be an option on the table. We’ve now had many weeks of discussion and unanimously we’ve agreed – we had a big meeting on Monday to develop our policy and Jeremy will announce that tomorrow.

AM: So this is, as it were, laying to rest the last shreds of any doubt about whether you’re going to be in favour of a customs union. What kind of customs union do you want?
KS: Well, the customs arrangements at the moment are hard wired into the membership treaty, so I think everybody now recognises –
AM: There has to be a new deal -
KS: There’s going to have to be a new treaty. It will do the work of the customs union. So it’s ‘a’ customs union, that’s what the CBI are saying now, it’s what the various amendments are now all saying. There’s going to have to be a new agreement. But will it do the work of the current customs union? Yes, that’s the intention.
AM: So under your plan after we leave the EU who will be in charge of foreign trade arrangements for Britain?
KS: Well, they’ll have to be negotiated. We will have to have a say, but the real point is – because we all want trade agreements, or more trade agreements – are we more likely to get them if we do it jointly with the EU or on our own? And all the evidence suggests more likely if we do it with the EU, and the cost-benefit analysis of coming out of the customs union, we’ll have a new trade agreement, it just isn’t borne out. You’ve got Liam Fox in a minute..
AM: I’ll come onto that in a second. But in effect what happens under this scheme is the EU continues to set our trade arrangements with the rest of the world, we can’t do bold new trade deals with America or India or Australia or whoever.
KS: Well, as I say, we all want to do bold new trade agreements, but we’d be better off doing that with the EU. Obviously how that’s done, what say we have, will have to be negotiated, because we’ll be entering a new arrangement. But in the end it comes down to the central question of how are you going to get these trade agreements, is it more likely if you do it with the EU or more likely if you do it on your own? And there’s – I mean, Liam Fox said that we’re going to have 40 trade agreements lined up for 13 months’ time to sign. I wonder how he’s getting on with that. And so the cost-benefit analysis is absolutely clear on this and it’s going to come to a crunch because there are various amendments coming up in parliament, as you know.

AM: When you say that it’s not worth us leaving the current customs union in order to do new deals with America or India or Australia, whatever, what’s your evidence for that?
KS: Well, if you look at the analysis that’s been done independently by various think tanks and the government’s own analysis, which of course has been leaking out, they all point in one direction, that the benefits of us doing it on our own are
much smaller than anyone’s prepared to admit. And the cost is much higher. I don’t think there’s any evidence out there – and if Liam Fox has got some evidence maybe he can share it with us – any evidence from any credible source or base that there is actually an advantage in doing it on our own. And in the end we have obligations to our economy, obligations to our manufacturing base, and also obligations in Northern Ireland. There is nobody credible who is saying that you can keep to the commitment in Northern Ireland to no hard border without a customs union. And –

AM: (talking together) Is it not deeply unattractive to stay tied to a customs union after we leave?
KS: No. We’ve had a referendum. The referendum said we must leave the EU. It was a close result. 42-58 – 48-52. And now we have to make the choices going forward.

AM: There is a disagreement in your party about this. Because Barry Gardiner, the Shadow Trade Secretary, says, ‘as a transitional phase a customs union might be okay, but as an end point,’ he says, ‘it’s deeply unattractive, it would preclude us from making our own independent trade agreements with our five largest export markets outside the EU.’ He has lost that argument inside the Labour Party?
KS: Barry Gardiner said that at the beginning of last year, in midsummer last year, speaking very much for himself. A lot of water’s gone under the bridge since then. We reached unanimous agreement on Monday as to our position on a customs union, and that means unanimous.

AM: Alright. Now, there is a very clear and slightly menacing amendment to the trade legislation being put down by Anna Soubry and other Conservative Remainers down there. What is your attitude going to be to that amendment?
KS: Well, as you may have seen, the Labour front bench put down a number of amendments paving the way for the option of a customs union. They went down a few weeks ago. Now these
cross-party amendments have gone down, essentially saying the same thing. And to put it bluntly, crunch time is coming for the Prime Minister. There is nobody –

AM: So you will back those amendments?

KS: Well, we haven’t made a final decision on that, but they’re so close to our amendments that I think the phrase you used earlier was sort of coming up alongside them. We’ve got to make a final decision, but whether it’s our amendments, the cross-bench amendments, crunch time is now coming for the Prime Minister because the majority in parliament does not back her approach to a customs union. And the majority in parliament needs to be heard and it will be heard sooner rather than later.

AM: If you got such an amendment through, with Labour support and all the rest of it, this would blow a massive hole straight through Theresa May’s negotiating plans, and it would threaten her as Prime Minister. Surely what she will then do is she will tie this to a vote of confidence and dare her own MPs to call an election?

KS: Well, how she handles this is obviously a matter for her. I understand she’s now delaying this Bill. But we said from the outset that what is being negotiated is the next 20 or 30 years of our future. Parliament ought to have a proper voice in that. The Prime Minister’s pushed parliament away and parliament is now coming back to be heard.

AM: This is brutal and slightly cynical parliamentary tactics designed to get Theresa May out of Downing Street and Jeremy Corbyn in isn’t it?

KS: Andrew, I think every time I’ve been on your programme I’ve championed the benefits of the customs union. I’ve never suggested otherwise. So to suggest that this is simply because of those amendments is stupid. It was in our manifesto, it was in our position last summer, we’ve now developed that unanimously, and
obviously these amendments are coming up, but I think the position you put to me is not actually accurate.

AM: Well, let me come at it from the other side then and remind you of those 80 senior colleagues, Neil Kinnock and so forth, who make a very interesting point: if you’re going to be in a customs union, then you are going to have to accept a lot of EU regulations and EU laws and the EU way of doing things. If you’re going to do that why not just stay in the single market as well?

KS: Well, I think there is an essential question, which is do you want to be close to the EU or distant?

AM: I know your answer is close.

KS: Is close. And we’ve always said that the benefits of the single market must be there in the final agreement, and that’s a really important commitment because in the end however you arrive at that and whatever the instrument or agreement it is, the benefits have got to be there. Now, Labour is agreed on that end state. There’s obviously an argument about how we get there. We’ve various models –

AM: So you could be either, if not actually in the single market, then you could be very close to a single market, a free trade area?

KS: Well, as I say, I think on that question of do you want to be close to the EU or distant, we are united on saying we want to be close. And obviously there’s an argument about how we do it, but the benefits of the single market have got to be there in the final agreement so far as we’re concerned. There are arguments about the particular model, but in the end that unity of purpose about what we’re trying to achieve is really important.

AM: It sounds like the kind of thing that Guy Verhofstadt told me a little over a week ago, where he said what we want is we want an association agreement between the UK and the EU, which includes a free trade agreement, is roughly speaking where Labour might end up as well.
KS: I think it will be a new agreement. The question is how close and whether we really get the benefits of both the single market and the customs union, and that’s been our focus throughout. And I think what’s really important here is that you haven’t got that sort of clarity from the government. There are different noises coming out of the meetings last week, some suggesting it is a close arrangement with the.. some saying distant.

AM: I’m sure Liam Fox will be absolutely clear when he’s sitting there. We’ll wait and see. Can I ask you about all those people inside the Labour Party who were Brexit supporters. There’s lots and lots of pro-Brexit Labour constituencies. Frank Field says this morning in the Sun that you guys are walking into a terrible electoral trap because you’re breaking faith with the core Labour pro-Brexit vote.

KS: Andrew, we’ve respected the referendum outcome. We voted to trigger Article 50 to allow the Prime Minister to start the negotiations. We now have to make choices about the next 30 or 40 years of the future of our country. And a customs union is really important to that because we’ve got a manufacturing base to protect, we’ve got the economy and jobs to protect. And I think we also need to reflect that fact that it was a 52-48 split. We’ve got to have an approach that respects the outcome, that brings the country together.

AM: But to conclude, in that huge national choice between staying close to the EU and remaining an essentially European kind of country on the one hand, and diverging, being an entirely different kind of country on the other, you say crunch time is – how far away now?

KS: Well, it depends when these amendments come up, and obviously there’s the meaningful vote in October which is going to be a big moment, and that has to be meaningful, and I don’t think we should any longer accept the proposition that it’s a take it or
leave it vote. Parliament has got to speak on these essential
issues.

AM: One other issue, if you don’t mind. Are you pleased to see
Ken Livingstone coming back into the Labour Party, would you like
him to be welcomed back into the Labour Party?
KS: Well, I’ve read the reports. I took a strong view on this at the
time. He’s still suspended. But I don’t know the detail any more
than what I’ve read in the reports.

AM: Should be stay suspended?
KS: Well, he’s suspended, I think, for two years. I think that runs
out in April. It’s not a decision for me. I’ve got plenty on my plate
as it is.

AM: You do. Sir Keir Starmer, thanks very much indeed for
talking to us.
(ends)